



United States Department of the Interior

BUREAU OF LAND MANAGEMENT White River Field Office

73544 Highway 64
Meeker, Colorado 81641



2880 (CO110)
COC69157

October 19, 2005

Re: Scoping Notice - Piceance Development Project Environmental Assessment

Dear Reader:

The Bureau of Land Management (BLM) is planning to prepare an Environmental Assessment (EA) for a proposed natural gas development project to be known as the Piceance Development Project.

ExxonMobil Corporation has indicated their intent to drill and development oil and gas resources in the BLM White River Field Office within Rio Blanco County, Colorado. The project is generally located in portions of Township 1 South, Range 97 West; Township 2 South, 97 West; and Township 3 South, R97 West.

A scoping notice has been prepared for your review and information, both as an introduction to the proposed project and as a review of the basic procedures we intend to follow in the preparation of the EA. The scoping process is an opportunity for you to participate in the earliest phase of the EA for the Piceance Development Project. We encourage your input and comments on the project. Information and comments you provide will enable us to assess alternatives for consideration in the environmental assessment.

We are conducting scoping for 30 days. If you are interested in participating in the scoping process, we request that you respond by supplying your written or e-mailed comments or concerns about the proposed activity by November 18, 2005. Please submit your comments to:

Penny Brown, Project Manager
Bureau of Land Management
White River Field Office
73544 Highway 64
Meeker, Colorado 81641

E-mail: penny_brown@blm.gov

A link to the Scoping Notice will be available on the BLM national homepage at:

http://www.blm.gov/nhp/spotlight/state_info/planning/co/wrfonepa.htm

Your response is important and will be considered in the environmental analysis process. If you do respond, we will consider your comments in the analysis for the project. Please note that public comments submitted for this scoping review, including names, e-mail addresses, and street addresses of the respondents, will be available for public review and disclosure at the

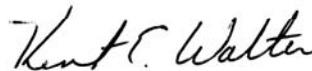
above address during business hours (7:45 a.m. to 4:30 p.m.), Monday through Friday, except holidays. Individual respondents may request confidentially. If you wish to withhold your name, e-mail address, or street address from public review or from disclosure under the Freedom of Information Act, you must state this plainly at the beginning of your written comment. Such requests will be honored to the extent allowed by law. All submissions from organizations or businesses, and from individuals identifying themselves as representatives or officials of organizations or businesses, will be made available for public inspection in their entirety.

BLM had scheduled a public meeting to discuss the environmental assessment at the date/time/location indicated below:

<u>Meeting Date/Time</u>	<u>Location</u>
November 8, 2005 7 PM – 8:30 PM	Kilowatt Korner, 6 th Street and Highway 13, Meeker

Thank you again for your interest in this process. If you have any questions regarding the project, your role, or our responsibilities, please contact Penny Brown, Project Manager, at the address shown above or phone (970) 878-3810.

Sincerely,



Kent E. Walter
Field Manager

Enclosure:
Scoping Notice

SCOPING NOTICE for Piceance Development Project

**Bureau of Land Management
White River Field Office**

DESCRIPTION OF PROPOSAL

ExxonMobil Production Company (ExxonMobil) has notified the Bureau of Land Management (BLM), White River Field Office that ExxonMobil intends to drill additional exploration and development wells in the ExxonMobil Piceance Development Project. The proposed Piceance Development Project is comprised of about 28,800 acres in Rio Blanco County, Colorado. The land ownership is comprised of 3,400 acres of fee lands (11.80%), 120 acres of State of Colorado land (0.42%), and 25,280 acres (87.77%) of public lands administered by BLM's White River Field Office in Meeker. The project is generally located in portions of Township 1 South, Range 97 West; Township 2 South, 97 West; and Township 3 South, R97 West.

ExxonMobil's Piceance Creek Unit was formed in 1940 and has been in continuous production since the 1950s. The Piceance Creek Unit currently produces an average of 21.8 Million Cubic Feet of Gas per Day (MCFGPD) from 37 wells in the Wasatch and Mesa Verde Formations. Five wells in the pending Freedom Unit produce 2.3 MCFGPD from Wasatch and Mesa Verde reservoirs.

The proposed ExxonMobil Piceance Development Project would increase production of natural gas and associated hydrocarbon liquids from the Wasatch and Mesa Verde Formations within portions of the existing Piceance Creek Unit and the newly proposed Freedom Unit. Aspects of the project include drilling wells from up to 120 multiple well pads having up to 9 wells on each well pad, construction of gas and liquids gathering systems, a gas trunkline system, a central treating facility, a produced water pipeline and evaporation pond system, 5 tank batteries, 2 gas sales stations, a slug catcher, and a condensate sales / truck loading site. Other aspects of the Piceance Development Project include upgrades of existing two-track roads, construction of new roads, installation of electric power, development of water supplies, and construction of ancillary buildings and facilities to support production and gas treating operations. Compressors would be driven by electric motors. The life-of-project (LOP) is expected to be 30 years or longer.

RELATIONSHIP TO EXISTING PLANS AND DOCUMENTS

All proposed developments are within the jurisdiction of the White River Field Office. BLM is the sole decision making authority for approval/disapproval of these National Environmental Policy Act (NEPA) documents.

White River Resource Management Plan - The White River Record of Decision and Approved Resource Management Plan (ROD/RMP) approved in July 1997 provides management direction for resources contained within the White River Field Office area. The objective for management of oil and gas resources, as stated in the ROD/RMP, is to provide for leasing, exploration, and development of oil and gas while protecting other resource values. The proposed ExxonMobil development project is in conformance with the White River ROD/RMP. The environmental analysis that will be prepared on the ExxonMobil proposal will incorporate

appropriate decisions, terms, and conditions of use described in the White River ROD/RMP.

Use Authorizations - Use authorizations (i.e., rights-of-way, permits, etc.) for roads, powerlines, pipelines, and well site facilities would be processed through the BLM Application for Permit to Drill (APD) and Sundry Notice permitting process.

Lease Stipulations - Some leases within the proposed area include special stipulations on occupancy. These are in addition to the standard lease terms. These stipulations are designed to protect surface resources such as soils, water, and wildlife by restricting periods of activity and areas of disturbance. Application of these lease stipulations will be handled on a case-by-case basis for each APD submitted to the BLM.

NATIONAL ENVIRONMENTAL POLICY ACT COMPLIANCE

On reviewing the Operator's proposal, the BLM has determined that permitting this project would constitute a federal action that could affect the quality of the human environment. Pursuant to NEPA and Council on Environmental Quality (CEQ) regulations on implementing NEPA, the BLM is preparing an environmental assessment (EA) that will describe and evaluate the probable impacts of the Piceance Proposed Action and alternatives. The purpose of an EA is to provide the public and decision-makers with sufficient information to understand the environmental consequences of the proposal and to identify and develop appropriate mitigation measures to minimize environmental impacts.

One element of the NEPA process is scoping. Scoping activities are initiated early in the process to:

- identify reasonable development alternatives to be evaluated in the EA;
- identify environmental/socio-economic issues of concern related to the proposed project; and
- determine the depth of analysis for issues addressed in the EA.

Additionally, NEPA requires that a "no action" alternative be considered in all environmental documents. This will allow a comparison of the economic and environmental consequences of the proposed and alternative development levels versus current development levels and existing environmental conditions. Under the No Action Alternative, no further natural gas development would occur on federal lands in the project area beyond that which has already been approved by the BLM. This assumption, however, does not mean denial of natural gas exploration or development in the area, since all federal lands within the project area have been leased for oil and gas production or are available for lease and the area is identified as suitable for gas production in the White River ROD/RMP.

This scoping statement has been prepared to enable government agencies, the general public, and other interested parties to participate in and contribute to the analysis process. Public input is important in establishing the scope of analysis for any NEPA document, and the BLM encourages public participation.

IDENTIFIED RESOURCE MANAGEMENT ISSUES, CONCERNS, AND OPPORTUNITIES

The following issues and concerns have been identified by the BLM to date. It is not meant to be

an all-inclusive list, but rather a starting point for public input and a means of identifying the resource disciplines needed to conduct the analysis.

- Potential impacts to wildlife habitats within the analysis area, including big game critical habitat, sage grouse, and raptors.
- Road development, Increased traffic and associated impacts on existing County, State, and BLM roads.
- Social and economic impacts.
- Impacts to surface and groundwater resources, including sedimentation/salinity to the Colorado River system.
- Potential impacts to steep slopes and sensitive soils within the project area.
- Impacts from emissions resulting from additional drilling and production activities.
- Reclamation of disturbed areas and control of noxious weed invasions.
- Potential conflicts with livestock management operations in the analysis area, including possible impacts to range improvements.
- Potential impacts to cultural and historical values within the analysis area.
- Potential impacts to Native American sacred sites and Traditional Cultural Properties
- Potential impact to listed, or proposed for listing, plant and animal species, including potential Colorado River depletion and effects of downstream listed fish species.
- Cumulative effects of drilling and development activities when combined with other ongoing and proposed developments on lands adjacent to the Piceance Development project area.
- Impacts to recreation, including hunting.
- Potential impacts to cultural and paleontological resources
- Visual Resource Management and potential impact to the visual resource.

INTERIM DRILLING ACTIVITIES

Three drilling rigs are currently active in the project area. The White River Field Office is responsible for preparing the NEPA analysis for each Application for Permit to Drill (APD) and expects to continue processing APDs at the time individual well locations are proposed by the operator.

The Piceance Creek Unit currently produces an average of 21.8 Million Cubic Feet of Gas Per Day (MCFGPD) from 37 wells in the Wasatch and Mesa Verde Formations. Five wells in the pending Freedom Unit produce 2.3 MCFGPD from Wasatch and Mesa Verde reservoirs.

TIMING NEEDS OR REQUIREMENTS

Public input is important in establishing the level and scope of the analysis. The public is encouraged to participate during the scoping process to help identify the scope of the analysis needed, alternatives to the proposed action, other issues or concerns that should be analyzed, mitigative opportunities, and any other comments or ideas to help ensure the completeness of the analysis process.

Your comments are due by November 18, 2005. Please submit your comments to:

Penny Brown, Project Manager
Bureau of Land Management
White River Field Office
73544 Highway 64
Meeker, CO 81641

Email: penny_brown@blm.gov

PUBLIC PARTICIPATION

The following individuals and organizations will receive a copy of this scoping statement:

FEDERAL OFFICES

Public Utilities Commission
Environmental Protection Agency (EPA)
Bureau of Land Management; Colorado State Office
U.S. Department of Transportation;
Office of Pipeline Safety
U.S. Fish & Wildlife Service
U.S. Army Corp of Engineers;
Sacramento District Western Colorado
Federal Energy Regulatory Commission
USDA Natural Resources Conservation Service
US Geological Survey;
Water Resource Division

STATE AGENCIES

Colorado Oil and Gas Conservation Commission (COGCC)
Colorado Department of Public Health & Environment (CDPHE);
Water Quality Control Division
Air Pollution Control Division
Colorado Division of Wildlife
Colorado Department of Natural Resources
Colorado Division of Water Resources

COUNTY GOVERNMENT

Rio Blanco County Board of Commissioners
Meeker Town Government
Rangely Town government

NATIVE AMERICAN TRIBES

Uintah and Ouray Tribal Council
Colorado Historical Society

GRAZING PERMITTEES

C.W. Brennan
Burke Brothers
Ira Johnson
Tim Mantle
MTW Ranch, LLC
L. Shults
Vaughn Ranch

LEASE AND ROW HOLDERS

Kinder Morgan
Colorado Interstate Gas Company
Canyon Gas Resources Inc
Northwest Pipeline
American Soda LLP
EnCana Oil and Gas (USA) Inc
KN Production Company
BEPCo Operating Company
White River Nahcolite
Marathon Oil Company
Questar Pipeline CO
Shell Frontier Oil & Gas, INC

LANDOWNERS

ExxonMobil Production Co
Equity Oil Co
El Paso Oil and Gas
EnCana Oil & Gas (USA), Inc
Mantle Ranch
M.T.W. Ranch
Oldland Brothers
Piceance Creek Ranch
Puckett Land Company
Sam and Cheri Robinson
Slash EV Land Company
Tim Uphoff

LOCAL MEDIA

Craig Daily Press
The Citizen Telegram
The Rio Blanco Herald Times

OTHER AGENCIES, INDUSTRY REPRESENTATIVES, INDIVIDUALS, AND ORGANIZATIONS

Colorado Environmental Coalition
Center for Native Ecosystems
The Wilderness Society
National Wildlife Federation
Rocky Mountain Chapter Sierra Club